



GILDA'S CLUB CHICAGO

Financial Statements

December 31, 2021 and 2020



Sassetti



CERTIFIED PUBLIC ACCOUNTANTS

GILDA'S CLUB CHICAGO
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gilda's Club Chicago
Chicago, Illinois

Opinion

We have audited the accompanying financial statements of **GILDA'S CLUB CHICAGO** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **GILDA'S CLUB CHICAGO** as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **GILDA'S CLUB CHICAGO** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **GILDA'S CLUB CHICAGO's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **GILDA'S CLUB CHICAGO's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **GILDA'S CLUB CHICAGO's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sassetti LLC

Oak Brook, Illinois
June 15, 2022

GILDA'S CLUB CHICAGO
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

| | 2021 | 2020 |
|----------------------------------|--------------|--------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 759,794 | \$ 756,505 |
| Prepaid expenses | 53,772 | 41,457 |
| Property and equipment, net | 893,296 | 880,267 |
| Total Assets | \$ 1,706,862 | \$ 1,678,229 |
| LIABILITIES | | |
| Accounts payable | \$ 6,408 | \$ 20,286 |
| Accrued expenses | 97,709 | 107,964 |
| Total Liabilities | 104,117 | 128,250 |
| NET ASSETS | | |
| Without donor restrictions | 1,598,745 | 1,486,542 |
| With donor restrictions | 4,000 | 63,437 |
| Total Net Assets | 1,602,745 | 1,549,979 |
| Total Liabilities and Net Assets | \$ 1,706,862 | \$ 1,678,229 |

The accompanying notes are an integral part of the financial statements.

GILDA'S CLUB CHICAGO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| REVENUE | | | |
| Individual contributions | \$ 372,076 | \$ - | \$ 372,076 |
| Corporation and foundation grants | 301,957 | 222,400 | 524,357 |
| Special events and sponsorships, net of special event expenses of \$150 | 560,762 | - | 560,762 |
| Interest income | 1,280 | - | 1,280 |
| In-kind donations | 26,500 | - | 26,500 |
| Paycheck Protection Program grant | 227,175 | - | 227,175 |
| Insurance recovery | 9,705 | - | 9,705 |
| Net assets released from restrictions | 281,837 | (281,837) | - |
| | <u>1,781,292</u> | <u>(59,437)</u> | <u>1,721,855</u> |
| EXPENSES | | | |
| Program services | | | |
| Support for people with cancer and their families | 1,125,192 | - | 1,125,192 |
| Support Services | | | |
| Management and general | 163,645 | - | 163,645 |
| Fundraising | 380,252 | - | 380,252 |
| | <u>1,669,089</u> | <u>-</u> | <u>1,669,089</u> |
| CHANGE IN NET ASSETS | 112,203 | (59,437) | 52,766 |
| NET ASSETS | | | |
| Beginning of year | <u>1,486,542</u> | <u>63,437</u> | <u>1,549,979</u> |
| End of year | <u>\$ 1,598,745</u> | <u>\$ 4,000</u> | <u>\$ 1,602,745</u> |

The accompanying notes are an integral part of the financial statements.

GILDA'S CLUB CHICAGO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| REVENUE | | | |
| Individual contributions | \$ 813,591 | \$ - | \$ 813,591 |
| Corporation and foundation grants | 245,550 | 218,800 | 464,350 |
| Special events and sponsorships, net of special event expenses of \$50,000 | 520,668 | - | 520,668 |
| Interest income | 2,126 | - | 2,126 |
| In-kind donations | 17,500 | - | 17,500 |
| Paycheck Protection Program grant | 215,100 | - | 215,100 |
| Miscellaneous income | 10,050 | - | 10,050 |
| Net assets released from restrictions | 304,506 | (304,506) | - |
| | <u>2,129,091</u> | <u>(85,706)</u> | <u>2,043,385</u> |
| EXPENSES | | | |
| Program services | | | |
| Support for people with cancer and their families | 1,411,377 | - | 1,411,377 |
| Support Services | | | |
| Management and general | 173,829 | - | 173,829 |
| Fundraising | 410,005 | - | 410,005 |
| | <u>1,995,211</u> | <u>-</u> | <u>1,995,211</u> |
| CHANGE IN NET ASSETS | 133,880 | (85,706) | 48,174 |
| NET ASSETS | | | |
| Beginning of year | <u>1,352,662</u> | <u>149,143</u> | <u>1,501,805</u> |
| End of year | <u>\$ 1,486,542</u> | <u>\$ 63,437</u> | <u>\$ 1,549,979</u> |

The accompanying notes are an integral part of the financial statements.

GILDA'S CLUB CHICAGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

| | Support Services | | | Total |
|--|---------------------|---------------------------|-------------|--------------|
| | Program Services | Management and General | Fundraising | |
| Salaries | \$ 684,057 | \$ 66,245 | \$ 251,080 | \$ 1,001,382 |
| Payroll taxes | 53,151 | 4,621 | 19,258 | 77,030 |
| Health insurance | 84,424 | 7,341 | 30,588 | 122,353 |
| Employee Benefits | 15,033 | 1,307 | 5,447 | 21,787 |
| Total Salaries and Related Expenses | 836,665 | 79,514 | 306,373 | 1,222,552 |
| Advertising and promotion | 40,000 | - | 301 | 40,301 |
| Computer | 13 | - | - | 13 |
| Contractual services | 95,618 | | 2,815 | 98,433 |
| Facility rental expense | 2,121 | 1,036 | 3,500 | 6,657 |
| Food and beverage | 133 | - | 6,729 | 6,862 |
| Insurance | 23,267 | 1,454 | 4,363 | 29,084 |
| Licenses, fees and dues | 37,366 | 19,880 | 7,238 | 64,484 |
| Miscellaneous | 2,334 | 5,222 | 438 | 7,994 |
| Printing, postage and shipping | 2,392 | 1,009 | 5,276 | 8,677 |
| Professional fees | 20,571 | 51,288 | 29,085 | 100,944 |
| Repairs and maintenance | 15,284 | 955 | 2,866 | 19,105 |
| Seminars and education | 1,014 | 154 | 262 | 1,430 |
| Supplies | 3,079 | 69 | 999 | 4,147 |
| Telephone | 10,335 | 504 | 2,761 | 13,600 |
| Travel | 139 | 99 | 727 | 965 |
| Utilities | 8,085 | 787 | 1,498 | 10,370 |
| Total Expenses before Depreciation and Amortization | 1,098,416 | 161,971 | 375,231 | 1,635,618 |
| Depreciation and amortization | 26,776 | 1,674 | 5,021 | 33,471 |
| Total Expenses | \$ 1,125,192 | \$ 163,645 | \$ 380,252 | \$ 1,669,089 |

The accompanying notes are an integral part of the financial statements.

GILDA'S CLUB CHICAGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

| | <u>Support Services</u> | | | <u>Total</u> |
|--|-----------------------------|-----------------------------------|--------------------|---------------------|
| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | |
| Salaries | \$ 858,695 | \$ 65,998 | \$ 235,814 | \$ 1,160,507 |
| Payroll taxes | 62,844 | 5,095 | 16,985 | 84,924 |
| Health and dental insurance | 88,320 | 7,161 | 23,870 | 119,351 |
| Employee benefits | 13,645 | 1,106 | 3,688 | 18,439 |
| Total Salaries and Related Expenses | 1,023,504 | 79,360 | 280,357 | 1,383,221 |
| Advertising and promotion | 40,000 | - | 18,757 | 58,757 |
| Computer | 4,060 | - | - | 4,060 |
| Contractual services | 146,406 | - | - | 146,406 |
| Facility rental expense | 20,349 | 259 | - | 20,608 |
| Food and beverage | 6,636 | 4 | 3,524 | 10,164 |
| Insurance | 21,709 | 1,357 | 4,070 | 27,136 |
| Licenses, fees and dues | 15,442 | 12,150 | 14,451 | 42,043 |
| Miscellaneous | 2,101 | 6,521 | - | 8,622 |
| Printing, postage and shipping | 4,311 | 612 | 34,476 | 39,399 |
| Professional fees | 19,560 | 64,213 | 37,025 | 120,798 |
| Repairs and maintenance | 21,959 | 4,123 | 3,455 | 29,537 |
| Seminars and education | 800 | 1,100 | 50 | 1,950 |
| Supplies | 11,690 | 71 | 429 | 12,190 |
| Telephone | 9,688 | 466 | 2,547 | 12,701 |
| Transportation assistance | 3,200 | - | - | 3,200 |
| Travel | 2,649 | - | 118 | 2,767 |
| Utilities | 8,557 | 546 | 1,604 | 10,707 |
| Total Expenses before Depreciation and Amortization | 1,362,621 | 170,782 | 400,863 | 1,934,266 |
| Depreciation and amortization | 48,756 | 3,047 | 9,142 | 60,945 |
| Total Expenses | \$ 1,411,377 | \$ 173,829 | \$ 410,005 | \$ 1,995,211 |

The accompanying notes are an integral part of the financial statements.

GILDA'S CLUB CHICAGO
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | 2020 |
|---|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 52,766 | \$ 48,174 |
| Adjustments to reconcile net assets to net cash provided by operating activities: | | |
| Donated services | (26,500) | - |
| Depreciation and amortization | 33,471 | 60,945 |
| Decrease (increase) in: | | |
| Accounts and pledges receivable | - | 123,783 |
| Prepaid expenses | (12,315) | 8,616 |
| (Decrease) increase in: | | |
| Accounts payable and accrued expenses | (24,133) | 31,170 |
| Net Cash Provided by Operating Activities | 23,289 | 272,688 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment, net | (20,000) | (2,800) |
| Net Cash Used in Investing Activities | (20,000) | (2,800) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 3,289 | 269,888 |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of year | 756,505 | 486,617 |
| End of year | \$ 759,794 | \$ 756,505 |
| SUPPLEMENTAL INFORMATION: | | |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for taxes | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements.

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

1. NATURE OF ORGANIZATION

Gilda's Club Chicago (the "Organization") provides a place where men, women and children with cancer and their families and friends join with others to build social and emotional support as a supplement to medical care in the Chicagoland area. Beginning on March 16, 2020, the Organization's programs were facilitated virtually. The Organization derives its revenues primarily from contributions and special events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Reclassification – Certain reclassifications have been made to the December 31, 2020 financial statements to conform to the current year presentation.

Cash and Cash Equivalents – Cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less. At December 31, 2021 and 2020, cash equivalents consisted primarily of money market accounts.

At December 31, 2021, the Organization's cash accounts exceeded federally insured limits by approximately \$510,000. Amounts are held in well-known financial institutions and the Organization does not believe it is exposed to any significant risk of loss.

Pledges Receivable, Net – When an unconditional promise to give is received or the condition has been fulfilled for a conditional promise to give, the corresponding pledges receivable are recorded as revenue at the present value of expected proceeds.

Management provides for probable allowance for both pledges and accounts receivable based on historical information and its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledge or accounts receivable. As of December 31, 2021 and 2020 there was no allowance for uncollectible receivables.

Revenue Recognition – A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

right of release of a promise to transfer assets exists. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions are substantially met.

Contributed income is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expirations of restrictions on net assets due to either the Organization fulfilling donor-imposed restrictions or the passage of time, are reported as net assets released from restrictions.

Contributed income may include gifts of cash, collection items, or promises to give. Contributions of assets other than cash are reported at their estimated fair value. When considered material, contributions, and grants to be received after one (1) year are discounted at an appropriate discount rate commensurate with the risk involved. Multi-year commitments are recorded during the year of the initial pledge.

Contributed income of cash or other assets that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

The Organization generally measures revenue based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers (i.e., earned revenue) based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Other income is recognized as it is earned.

Property and Equipment - Purchased property and equipment are stated at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation and amortization are calculated based on estimated useful lives using the straight-line method, ranging from 3 to 25 years. The Organization's policy is to capitalize all expenditures for improvements, property, and equipment in excess of \$500, if the expenditure is expected to prolong the life of the asset.

Maintenance and repair costs are expensed as incurred.

Classification of Net Assets - Net assets of the Organization are classified as with or without donor restrictions depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash or other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Income Taxes- The Organization claims exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of state tax codes. The Organization recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS and the corresponding State, generally for three years after they were filed.

Functional Allocation of Expenses- The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of that functional area. Costs that benefit multiple functional areas are allocated across program, management and general, and fundraising expenses either (1) based on salary expenses attributable to a functional area, (2) based on square footage, or (3) based on which functional area benefits from the cost. Salaries that are not directly attributable to a specific functional area are allocated to functional areas based on estimates of time and effort. Square footage is attributed to a functional area based on the types of activities performed in that space during the year.

Donated Services- Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Volunteers provide various program services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

3. CONCENTRATIONS

It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term. During 2021 and 2020, one special event comprised 21% and 23% of the Organization's revenues, respectively. No individual or foundation donor concentrations were noted in 2021. During 2020, one foundation comprised 24% of the Organization's revenues. No receivable concentrations were noted in 2020 or 2021.

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

| | <u>2021</u> | <u>2020</u> |
|---|--------------------|--------------------|
| Land | \$ 725,000 | \$ 725,000 |
| Building and building improvements | 1,480,233 | 1,480,233 |
| Furniture, fixtures and equipment | 415,408 | 415,408 |
| Website | 149,945 | 103,445 |
| | <u>2,770,586</u> | <u>2,724,086</u> |
| Less: Accumulated depreciation and amortization | <u>(1,877,290)</u> | <u>(1,843,819)</u> |
| Total property and equipment, net | <u>\$ 893,296</u> | <u>\$ 880,267</u> |

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|---|-----------------|------------------|
| <u>Amounts subject to expenditure</u> <u>for a specified purpose or time</u> | | |
| Northwestern Memorial Hospital | \$ - | \$ 8,810 |
| Community outreach | 4,000 | - |
| KCC Grant | - | 4,627 |
| Time-restricted contributions | - | 50,000 |
| | <u>\$ 4,000</u> | <u>\$ 63,437</u> |

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

Net assets were released from restrictions for the following purpose or time restriction during the years ended December 31, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Bilingual program coordinator | \$ - | \$ 7,032 |
| Kids and teens camps | - | 38,277 |
| Social medial awareness campaign related to metastatic breast cancer | - | 15,000 |
| Noogieland program | 10,000 | 18,000 |
| Kids Kicking Cancer program | 4,627 | 25,373 |
| Remote service delivery | 57,500 | - |
| Northwestern Memorial Hospital | 153,110 | 154,990 |
| Other programs | 6,600 | - |
| Time-restricted contributions | 50,000 | 45,834 |
| | <u>\$ 281,837</u> | <u>\$ 304,506</u> |

6. DONATED SERVICES, PROPERTY AND EQUIPMENT

The Organization received donated services and use of facilities in the amount of \$26,500 and \$17,500 in 2021 and 2020, respectively, to assist in the Organization's program services. These amounts have been recognized in the accompanying statements of activities as in-kind donations because the criteria for recognition of such services have been satisfied. For the year ended December 31, 2021, the corresponding expenses are associated with long-lived assets, have been capitalized and will be amortized over the useful life of the asset. For the year ended December 31, 2020, the corresponding expenses related to in-kind facility rental costs and are reflected in the Statement of Functional Expenses.

7. SPECIAL EVENT EXPENSES

Special event expenses, by natural category, are as follows, for the year ended December 31:

| | <u>2021</u> | <u>2020</u> |
|------------------|---------------|------------------|
| Event management | \$ - | \$ 50,000 |
| Other | 150 | - |
| | <u>\$ 150</u> | <u>\$ 50,000</u> |

All special event expenses summarized above are considered fundraising expenses for purposes of categorization of expenses by function. In 2020 and 2021, the Organization had virtual events, which is why there were no costs associated with the gala.

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

8. RETIREMENT PLAN

The Organization sponsors a 401(k) plan for eligible employees. Employee elective deferrals are matched by the Organization at the rate of 50% up to 6% of compensation. The Organization contributed \$21,787 and \$18,439 to the plan during 2021 and 2020, respectively.

9. LINE OF CREDIT

The Organization has a \$200,000 revolving line of credit expiring in December 2023. At December 31, 2021 and 2020, there was no amount borrowed against this line. The line is collateralized by substantially all of the Organization's assets. Interest varies with the bank's prime rate, which was 3.25% on December 31, 2021, and is payable monthly.

10. RELATED PARTY TRANASCTIONS

The Organization is an affiliate of the Cancer Support Community (CSC). CSC optimizes patient care by providing essential services including support groups, counseling, education, and healthy lifestyle programs. CSC provides the highest quality emotional and social support through a network of more than fifty local affiliates, one hundred satellite locations and online. The organization paid \$21,079 and \$20,117 to CSC during the years ended December 31, 2021 and 2020, respectively. The Organization received \$5,000 and \$4,150 from CSC during the years ended December 31, 2021 and 2020, respectively. No balances were due to or from CSC for the years ended December 31, 2021 and 2020.

11. LIQUIDITY OF AVAILABILITY OF RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents.

For purposes of analyzing resources available to meet general expenditures over the next 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

The Organization's financial assets available for general expenditure within one year of the statements of financial position date are as follows:

| | 2021 | 2020 |
|--|------------|------------|
| Cash and cash equivalents | \$ 759,794 | \$ 756,505 |
| Total financial assets | 759,794 | 756,505 |
| Less: Amounts unavailable for general expenditure due to: | | |
| Restriction by donor for a specific time period | - | 45,833 |
| Total financial assets available to management for general expenditure within one year | \$ 759,794 | \$ 710,672 |

The Organization has a policy to maintain a cash reserve of three months and as of December 31, 2021, has three months of operating funds on hand. If needed, the Organization has access to a line of credit that would cover a month and a half of operating expenditures.

12. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require, among other things, that all leases, including operating leases, be included on the balance sheet as a "right of use" asset with an offsetting liability for the payments remaining on the lease. The new guidance will be effective for the Organization's year ending December 31, 2022.

The FASB has issued ASU 2020-07, Not-for-Profit Entities (Topic 958), which clarified the current standard and requires a not-for-profit to present contributed nonfinancial assets (in-kind contributions) as separate line items in the Statement of Activities, apart from contributions of cash or other financial assets. The standard also requires a not-for-profit to disclose contributed nonfinancial assets recognized within the Statement of Activities, disaggregated by category that depicts the type of nonfinancial assets. The standard also requires additional disclosures. The standard is effective for the fiscal year ending December 31, 2022.

The Organization is currently evaluating the impact of the adoption of the above standards on its financial statements.

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DECEMBER 31, 2021 and 2020

13. UNCERTAINTIES AND COVID-19

On March 10, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, and on March 13, 2020, the President of the United States declared the COVID-19 pandemic a national emergency, invoking powers under the Stafford Act, the Legislation that directs federal emergency disaster response. In-person programs and special events of the organization have been impacted by the pandemic. The Organization cannot predict how legal and regulatory responses to concerns about COVID-19 or other major public health issues will continue to affect operations in 2022. The total magnitude, timing, and duration of such potential financial impacts cannot be reasonably estimated at this time.

14. PAYCHECK PROTECTION PROGRAM

On April 9, 2020, the Organization entered into a loan agreement with a commercial bank for \$215,100, pursuant to the Paycheck Protection Program (the "PPP") of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted March 27, 2020.

On February 6, 2021, the Organization entered into a second loan agreement with a commercial bank for \$227,175, pursuant to the PPP of the CARES Act.

The application for these funds required the Organization in good faith to certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. Under the terms of the PPP loan, the Organization was eligible for full or partial loan forgiveness.

The Organization was granted forgiveness for the first PPP loan on December 18, 2020. On October 22, 2021, the Organization was approved for forgiveness of the second PPP loan. Loan forgiveness is reported in the Statement of Activities as Paycheck Protection Program grant for the years ended December 31, 2021 and 2020.

15. INSURANCE RECOVERY

During the year ended December 31, 2021, the Organization suffered a casualty loss due to flooding, and filed an insurance claim. The related insurance claim proceeds of \$20,708 are recorded net of the casualty loss of \$11,003 in the Statement of Activities.

16. SUBSEQUENT EVENTS

Management of the Organization have evaluated subsequent events through June 15, 2022 which is the date the financial statements were available to be issued.